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June 5, 2006

Via ECF

Honorable Norman A. Mordue, U.S.D.J.
United States District Court, Northern District of New York
Federal Building and United States Courthouse
100 S. Clinton Street
Syracuse, NY 13261-7367

Re: *Rescuecom Corporation v. Google Inc.*,
Case No. 5:04 CV 1055 (NAM)(GHL)

Dear Judge Mordue:

We represent Defendant Google, Inc. in this action. Google's motion to dismiss is currently pending before Your Honor.

We write to bring to Your Honor's attention two recent decisions: *Merck & Co., Inc., et al. v. Mediplan Health Consulting, Inc.*, 2006 WL 1418616 (S.D.N.Y. May 24, 2006) and *Edina Realty, Inc. v. Themsonline.com*, 2006 WL 1314303 (D.Minn. May 11, 2006). A copy of each is included for the Court's convenience.

Each decision arises in the context of a motion for reconsideration of an earlier decision, each of which themselves were individually submitted to Your Honor by Defendant Google on March 31, 2006 and by Plaintiff Rescuecom on April 3, 2006, respectively.

Respectfully submitted,

/s/

Shawn Patrick Regan

Encls.
cc: Edmund J. Gegan, Esq.

Dockets.Justia.com

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Briefs and Other Related Documents
Only the Westlaw citation is currently available.
United States District Court,S.D. New York.
MERCK & CO., INC. and MSD Technology, L.P., Plaintiffs,
v.
MEDIPLAN HEALTH CONSULTING, INC., d/b/a/ Rxnorth.Com, Defendant.
And Related Cases.
Nos. 05 CIV. 3650(DC), 05 CIV. 3699(DC), 05 CIV. 3696(DC), 05 CIV. 3700(DC), 05 CIV. 3698(DC), 05 CIV. 3701(DC).

May 24, 2006.

Fitzpatrick, Cella, Harper & Scinto, by: Robert L. Baechtold, Esq ., Pasquale A. Razzano, Esq., Nina Shreve, Esq., Peter Shapiro, Esq., New York, NY, for Plaintiffs.
R. Kunstadt, P.C., by: Robert M. Kunstadt, Esq., Ilaria Maggioni, Esq., New York, NY, attorneys for Mediplan Health Consulting, Inc., North Pharmacy Inc., PPI Pivotal Partners Inc., and Universal Drug Store Ltd.
Rothwell, Figg, Ernst & Manbeck, by: Steven Lieberman, Esq., Minaksi Bhatt, Esq., Washington, DC, attorneys for Medcenter Canada Inc.

MEMORANDUM DECISION

CHIN, D.J.
***1** On March 30, 2006, I issued an opinion (the "Opinion") granting in part and denying in part defendants' motions to dismiss the complaints in these six related cases. *See Merck & Co. v. MediPlan Health Consulting, Inc.,* No. 05 Civ. 3650(DC), 2006 WL 800756 (S.D.N.Y. Mar. 30, 2006). Plaintiffs Merck & Co., Inc., and MSD Technology, L.P. (together, "Merck"), move for reconsideration of the portion of the Opinion that granted certain defendants' motions to dismiss the trademark infringement claims based on the "use" by defendants North Pharmacy Inc. and PPI Pivotal Partners Inc. (together, "CanadaPharmacy"), Universal Drug Store Ltd. ("Universal"), and MedCenter Canada Inc. ("MedCenter") of the trademark ZOCOR as a keyword for sponsored links on the Internet search engines Google and Yahoo.

Merck's motion for reconsideration is based principally on two grounds: first, this Court did not consider *Edina Realty, Inc. v. TheMLSonline.com,* Civ. No. 04-4371 (JRT/FLN), 2006 WL 737064 (D.Minn. Mar. 20, 2006), a decision filed after the motions to dismiss in these cases were briefed and just ten days before the Opinion was issued; and second, this Court purportedly overlooked the differences between a "keywording" situation and a "pop-up ad" situation. I consider both grounds.

1. *Edina Realty*

In *Edina Realty,* the plaintiff and the defendant were competing real estate brokerage firms. The plaintiff owned rights to the mark "Edina Realty." The defendant purchased sponsored links from Google and Yahoo triggered by keyword Internet searches for the words "Edina Realty" and similar terms. The United States District Court for the District of Minnesota held that this use of the Edina Realty mark was "use in commerce" under the Lanham Act. The court noted that "[w]hile not a conventional 'use in commerce,' defendant nevertheless uses the Edina Realty mark commercially. Defendant purchases search terms that include the Edina Realty mark to generate its sponsored link advertisement." 2006 WL 737064, at *3.

The *Edina Realty* decision does not cause me to change my conclusions on this issue. I recognize that the issue is a difficult one. In the Opinion, I already cited several decisions that ruled similarly to *Edina Realty. See* Merck, 2006 WL 800756, at *9 n. 9. I disagreed with the conclusion reached in these cases. Instead, I relied on, *inter alia,* and applied the Second Circuit's decision in *1-800 Contacts, Inc. v. WhenU.com, Inc.,* 414 F.3d 400 (2d Cir.2005). Notably, the court in *Edina Realty,* in recently denying a motion for reconsideration that was based in part on the Opinion in this case, recognized that Second Circuit law was inconsistent with its holding. *See Edina Realty, Inc. v. TheMLSonline.com,* Civ. No. 04-4371 (JRT/FLN), 2006 WL 1314303, at *1 (D.Minn. May 11, 2006) (distinguishing the Opinion on grounds that it "applies controlling law of its circuit [*i.e.,* the Second Circuit] while identifying numerous well-reasoned opinions consistent with this Court's Order").

***2** In *1-800 Contacts,* the Second Circuit emphasized that commercial use is not the equivalent of "use in commerce" for trademark purposes. It observed that, "while any number of activities may be 'in commerce' or create a likelihood of confusion, no such activity is actionable under the Lanham Act absent the 'use' of a trademark." 414 F.3d at 412. Trademark use "ordinarily" involves placing a trademark on goods or services to indicate that the goods or services emanate from or are authorized by the owner of the mark. *Id.* at 408.

Here, in the search engine context, defendants do not "place" the ZOCOR marks on goods, containers, displays, or associated documents, nor do they use the marks to indicate source or sponsorship. Rather, the marks are used only in the sense that a computer user's search of the keyword "Zocor" will trigger the display of sponsored links to defendants' websites. This internal use of the keyword "Zocor" is not use of the mark in the trademark sense; rather, this use is more akin to the product placement marketing strategy employed in retail stores, where, for example, a drug store places its generic products alongside similar national brand products to capitalize on the latter's name recognition. *See id.* at 411. The sponsored link marketing strategy is the electronic equivalent of product placement in a retail store.

For the reasons stated in the Opinion, I conclude that defendants' purchase from Google and Yahoo of the right to have their websites displayed as "sponsored links" when a computer user searches the keyword "Zocor" does not constitute trademark use. *See Merck,* 2006 WL 800756, at *9. Moreover, here defendants actually sell Zocor, albeit Zocor manufactured by Merck's Canadian affiliates. Hence, there was nothing improper-in a trademark sense-with their purchase of sponsored links tied to searches of the keyword "Zocor."

2. *Keywords v. Pop-Up Ads*

I did not overlook the differences between a "keyword" situation and a "pop-up ad" situation. There is a difference, but not, in my view, a meaningful one for these purposes.

In *1-800 Contacts,* the defendant WhenU used software that monitored a computer user's internet activity and delivered, in response to the activity, pop-up advertisement windows that appeared on top of, at the bottom of, over, or behind the webpage that the user was initially viewing. 414 F.3d at 404-05. The plaintiff, 1-800 Contacts, operated a website, and when computer users visited its website by typing in the website address, WhenU's pop-up ads appeared. *Id.* at 403-05, 410.

The Second Circuit rejected plaintiff's claim that this conduct constituted trademark infringement. In concluding that this did not constitute improper use of plaintiff's trademarks in violation of the Lanham Act, the court wrote:

We hold that, as a matter of law, WhenU does not "use" 1-800's trademarks within the meaning of the Lanham Act, 15 U.S.C. § 1127, when it (1) includes 1-800's website address, which is almost identical to 1-800's trademark, in an unpublished directory of terms that trigger delivery of WhenU's contextually relevant advertising to [computer users]; or (2) causes separate, branded pop-up ads to appear on a [computer user's] computer screen either above, below, or along the bottom edge of the 1-800 website window.

***3** *Id.* at 403.

Here, defendants' use of the search engines is similar. The search engine companies included the keyword "Zocor" in their internal directories of keywords. When a computer user typed in the keyword Zocor, she would be offered, by virtue of the internal search engine processes, sponsored links to defendants' websites, in addition to the actual websites generated by the search engine program using neutral and objective criteria. This internal use of the keyword "Zocor" is not use of the ZOCOR mark to indicate source or sponsorship. It may be commercial use, in a general sense, but it is not trademark use. Indeed, if anything, keywording is less intrusive than pop-up ads as it involves no aggressive overlaying of an advertisement on top of a trademark owner's webpage.

CONCLUSION

For the foregoing reasons, and for the reasons set forth in the Opinion, Merck's motion for reconsideration is denied.

SO ORDERED.

S.D.N.Y.,2006.
Merck & Co., Inc. v. Mediplan Health Consulting, Inc.
--- F.Supp.2d ----, 2006 WL 1418616 (S.D.N.Y.)

Briefs and Other Related Documents (Back to top)

• 2006 WL 1098489 (Trial Motion, Memorandum and Affidavit) Plaintiff's Reply to Defendants Total Care Pharmacy Ltd. and Dave Robertson's Counterclaims (Mar. 13, 2006) Original Image of this Document (PDF)
• 2006 WL 1131601 (Trial Pleading) Plaintiffs' Reply to Defendants Canada Drugs.Com Partnership and Kris Thorkelson's Counterclaims (Mar. 13, 2006) Original Image of this Document (PDF)
• 2006 WL 739153 (Trial Pleading) Amended Answer and Counterclaims (Feb. 17, 2006) Original Image of this Document (PDF)
• 2006 WL 548933 (Trial Pleading) Defendants' Answer, Affirmative Defenses and Counterclaims (Jan. 31, 2006) Original Image of this Document (PDF)
• 2005 WL 3654102 (Trial Motion, Memorandum and Affidavit) Merck's Memorandum in Opposition to Defendants' Joint Motion for Partial Summary Judgment on Patent Remedies, and in Support of Merck's Alternative Rule 56(f) Cross Motion for a Continuance of Defendants's Joint Motion (Nov. 23, 2005)
• 2005 WL 3654100 (Trial Motion, Memorandum and Affidavit) Memorandum of Law in Support of Joint Motion for Partial Summary Adjudication on Patent Remedies (Nov. 2, 2005)
• 2005 WL 2582561 (Trial Motion, Memorandum and Affidavit) Reply Memorandum of Law in Support of Motion of Defendant Kris Thorkelson to Dismiss for Lack of Personal Jurisdiction Pursuant to Fed. R. Civ. P. 12(b)(2) (Aug. 29, 2005) Original Image of this Document (PDF)
• 2005 WL 2582490 (Trial Motion, Memorandum and Affidavit) Defendants' Reply Brief in Support of Motions to Dismiss Counts II et Seq. (Aug. 19, 2005)
• 2005 WL 2582511 (Trial Motion, Memorandum and Affidavit) Defendants' Reply Brief in Support of Motions to Dismiss Counts II et seq. (Aug. 19, 2005)
• 2005 WL 2582526 (Trial Motion, Memorandum and Affidavit) Defendants' Reply Brief in Support of Motions to Dismiss Counts II et seq. (Aug. 19, 2005) Original Image of this Document (PDF)
• 2005 WL 2582549 (Trial Motion, Memorandum and Affidavit) Reply Memorandum of Law in Support of Defendants' Motion to Dismiss Counts II - VII of Plaintiffs' Complaint (Trademark Claims) for Failure to State A Claim Pursuant to Fed. R. Civ. P. 12(b)(6) (Aug. 19, 2005) Original Image of this Document (PDF)
• 2005 WL 2582553 (Trial Motion, Memorandum and Affidavit) Reply Memorandum of Law in Support of Defendants' Motion to Dismiss Count Viii of Plaintiffs' Complaint (Deceptive Acts and Practices) for Failure to State a Claim Pursuant to Fed. r. Civ. P. 12(b)(6) (Aug. 19, 2005)
• 2005 WL 2582574 (Trial Motion, Memorandum and Affidavit) Reply Memorandum of Medcenter Canada in Support of Its Motion to Dismiss Counts II-VIII of the Complaint (Aug. 19, 2005)
• 2005 WL 2582593 (Trial Motion, Memorandum and Affidavit) Reply Memorandum in Support of Motion for Judgment on the Pleadings Dismissing Counts II - VIII of the Complaint (Aug. 19, 2005) Original Image of this Document (PDF)
• 2005 WL 2582474 (Trial Motion, Memorandum and Affidavit) Plaintiffs' Memorandum of Law in Opposition to Defendants' Fed. R. Civ. Pro. 12(b)(6) Motions to Dismiss Count Viii of the Complaints (Deceptive Acts and Practices) for Failure to State A Claim (Aug. 5, 2005)
• 2005 WL 2582486 (Trial Motion, Memorandum and Affidavit) Plaintiffs' Memorandum of Law in Opposition to Defendants' Fed. R. Civ. Pro. 12(b)(6) Motions to Dismiss Counts II-VII of The Complaints Trademark Infringement, Dilution and Unfair Competition) for Failure to State A Claim (Aug. 5, 2005)
• 2005 WL 2582502 (Trial Motion, Memorandum and Affidavit) Plaintiffs' Memorandum of Law in Opposition to Defendants' Fed. R. Civ. Pro. 12(b)(6) Motions to Dismiss Count VIII of the Complaints (Deceptive Acts and Practices) for Failure to State A Claim (Aug. 5, 2005)
• 2005 WL 2582508 (Trial Motion, Memorandum and Affidavit) Plaintiffs' Memorandum of law in Opposition to Defendants' Fed. R. CIV. PRO. 12(b)(6) Motions to Dismiss Counts II-VII of the Complaints (Trademark Infringement, Dilution and Unfair Competition) for Failure to State a Claim (Aug. 5, 2005)
• 2005 WL 2582515 (Trial Motion, Memorandum and Affidavit) Plaintiffs' Memorandum of Law in Opposition to Defendants' Fed. R. Civ. Pro. 12(b)(6) Motions to Dismiss Count VIII of the Complaints (Deceptive Acts and Practices) for Failure to State A Claim (Aug. 5, 2005) Original Image of this Document (PDF)
• 2005 WL 2582520 (Trial Motion, Memorandum and Affidavit) Plaintiffs' Memorandum of law in Opposition to Defendants' Fed. R. CIV. PRO. 12(b)(6) Motions to Dismiss Counts II-VII of the Complaints (Trademark Infringement, Dilution and Unfair Competition) for Failure to State a Claim (Aug. 5, 2005)
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• 2005 WL 2582544 (Trial Motion, Memorandum and Affidavit) Plaintiffs' Memorandum of Law in Opposition to Defendants' Fed. R. Civ. Pro. 12(b)(6) Motions to Dismiss Counts II-VII of the Complaints (Trademark Infringement, Dilution and Unfair Competition) for Failure to State A Claim (Aug. 5, 2005) Original Image of this Document (PDF)
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• 2005 WL 2582567 (Trial Motion, Memorandum and Affidavit) Plaintiffs' Memorandum of Law in Opposition to Defendants' Fed. R. Civ. Pro. 12(b)(6) Motions to Dismiss Counts II-VII of the Complaints (Trademark Infringement, Dilution and Unfair Competition) for Failure to State A Claim (Aug. 5, 2005)
• 2005 WL 2582580 (Trial Motion, Memorandum and Affidavit) Plaintiffs' Memorandum of Law in Opposition to Defendants' Fed. R. Civ. Pro. 12(b)(6) Motions to Dismiss Count VIII of the Complaints (Deceptive Acts and Practices) for Failure to State A Claim (Aug. 5, 2005) Original Image of this Document (PDF)
• 2005 WL 2582586 (Trial Motion, Memorandum and Affidavit) Plaintiffs' Memorandum of Law in Opposition to Defendants' Fed. R. Civ. Pro. 12(b)(6) Motions to Dismiss Counts II-VII of the Complaints (Trademark Infringement, Dilution and Unfair Competition) for Failure to State A Claim (Aug. 5, 2005)
• 2005 WL 1242906 (Trial Pleading) Complaint (Apr. 11, 2005) Original Image of this Document (PDF)
• 2005 WL 1242917 (Trial Pleading) Complaint (Apr. 11, 2005)
• 2005 WL 1242920 (Trial Pleading) Complaint (Apr. 11, 2005)
• 2005 WL 1242923 (Trial Pleading) Complaint (Apr. 11, 2005) Original Image of this Document (PDF)
• 2005 WL 1242927 (Trial Pleading) Complaint (Apr. 11, 2005)
• 1:05cv03700 (Docket) (Apr. 11, 2005)
• 1:05cv03699 (Docket) (Apr. 11, 2005)
• 1:05cv03698 (Docket) (Apr. 11, 2005)
• 1:05cv03696 (Docket) (Apr. 11, 2005)
• 1:05cv03701 (Docket) (Apr. 11, 2005)
• 2005 WL 1242877 (Trial Pleading) Complaint (Apr. 8, 2005) Original Image of this Document with Appendix (PDF)
• 1:05cv03650 (Docket) (Apr. 8, 2005)

END OF DOCUMENT

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Briefs and Other Related Documents
Only the Westlaw citation is currently available.
United States District Court,D. Minnesota.
EDINA REALTY, INC., Plaintiff,
v.
THEMLSONLINE.COM, Defendant.
Civil No. 04-4371 (JRT/FLN).

May 11, 2006.

Rita A. O'Keeffe, Leonard Street and Deinard, PA, Minneapolis, MN, for plaintiff.
Courtney M. Rogers Reid, Halleland Lewis Nilan & Johnson PA, Minneapolis, MN, for defendant.

ORDER

JOHN R. TUNHEIM, District Judge.
***1** Plaintiff Edina Realty has sued defendant, TheMLSOnline.com, for infringement of plaintiff's rights in the trademark EDINA REALTY® . On March 20, 2006, this Court issued an Order that, *inter alia,* denied defendant's motion for summary judgment as to the trademark infringement claims. Defendant has now requested leave to file a motion to reconsider portions of this Order pursuant to Local Rule 7 .1(g), claiming that the Court made erroneous factual findings and disputing the Court's conclusion that defendant's use of the Edina Realty mark does not as a matter of law constitute nominative fair use. Defendant also disputes the Court's conclusion that defendant's purchase of the Edina Realty trademark as an Internet search term constitutes a "use in commerce" under the Lanham Act. Finally, defendant requests that the Court certify its Order under 28 U.S.C. § 1292(b) to allow an immediate appeal on these issues.

A motion to reconsider under Local Rule 7.1(g) is the "functional equivalent" of a motion to alter or amend the judgment under Rule 59(e) of the Federal Rules of Civil Procedure. *DuBose v. Kelly,* 187 F.3d 999, 1002 (8th Cir.1999). Requests to file such motions are granted "only upon a showing of compelling circumstances." D. Minn. LR 7.1(g). A motion to reconsider should not be employed to relitigate old issues, but to "afford an opportunity for relief in extraordinary circumstances." *Dale & Selby Superette & Deli v. United States Dept. of Agriculture,* 838 F.Supp. 1346, 1348 (D.Minn.1993).

The Court finds that defendant has not shown the compelling circumstances necessary to justify its request. Defendant claims that the Court made erroneous findings of fact, but a straightforward reading of the Order shows that all its findings of fact have support in the record. On the issue of nominative fair use, defendant's letter brief simply restates arguments made in writing and orally before this Court. The Court need not revisit its reasoning in its Order; it suffices to find that the Order clearly explained the Court's reasons for denying defendant's motion, and the Order was not erroneous as a matter of law. Defendant's current arguments appear to seek nothing more than "a second bite at the apple," something the rules prohibit. *Id.*

Defendant also cites to a recent decision from the Southern District of New York in support of its request. *See Merck & Co. v. Mediplan Health Consulting, Inc.,* 2006 WL 800756 (S.D.N.Y. Mar. 30, 2006). *Merck* provides no support for reconsideration on the issue of nominative fair use because it is distinguishable in its procedural posture and sets forth no new law. As for the use in commerce standard, *Merck* applies controlling law of its circuit while identifying numerous well-reasoned opinions consistent with this Court's Order. Because defendant has not shown compelling circumstances as required by Local Rule 7.1(g), the Court denies its request to file a motion to reconsider.

***2** Finally, defendant requests permission to file an interlocutory appeal pursuant to 28 U.S.C. § 1292(b), which permits a district judge to certify for immediate appeal an order if, in the Court's opinion, "such order involves a controlling question of law as to which there is substantial ground for difference of opinion and that an immediate appeal from the order may materially advance the ultimate termination of the litigation ..." The Court of Appeals, in its discretion, then has immediate jurisdiction over the appeal. *Id.*

The requisite criteria for permitting interlocutory appeal are not satisfied here. While the Eighth Circuit has not yet addressed the issue of nominative fair use, the doctrine is well developed in other circuits. Application of the law of these circuits to the facts of this case cannot justify interlocutory appeal. As for the issue of whether the purchase of an Internet search term is a "use in commerce" under the Lanham Act, the Court agrees with defendant that there is a scarcity of opinions on this issue. However, a scarcity of opinions on a particular issue is not grounds for interlocutory appeal. Accordingly, the Court declines to amend its March 20, 2006 Order to certify these issues for immediate appeal.

ORDER

Based on the foregoing, all the records, files, and proceedings herein, **IT IS HEREBY ORDERED** that:

1. Defendant's request for leave to file a motion to reconsider portions of summary judgment order [Docket No. 124] is **DENIED;**

2. Defendant's request for permission to file an interlocutory appeal [Docket No. 130] is **DENIED.**

D.Minn.,2006.
Edina Realty, Inc. v. TheMSLOnline.com
Slip Copy, 2006 WL 1314303 (D.Minn.)

Briefs and Other Related Documents (Back to top)

- 2005 WL 3621322 (Trial Motion, Memorandum and Affidavit) Defendant's Memorandum of Law in Support of Its Motion for Summary Judgment (Oct. 21, 2005) Original Image of this Document (PDF)
- 2005 WL 3577984 () The Deposition of Akshay R. Rao (Oct. 17, 2005) Original Image of this Document (PDF)
- 2004 WL 3009360 (Trial Pleading) Answer and Affirmative Defenses (Oct. 28, 2004) Original Image of this Document (PDF)
- 2004 WL 3009351 (Trial Pleading) Answer and Affirmative Defenses (Oct. 27, 2004) Original Image of this Document (PDF)
- 2004 WL 3009343 (Trial Pleading) Complaint (Oct. 7, 2004) Original Image of this Document (PDF)
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